Prepared Remarks for Secretary Spellings at the American Council on Education Annual Meeting

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Speaker sometimes deviates from text.
Thank you. It is an honor to join you today. This is my first speech on higher education as Secretary of Education. And what a distinguished—and sizable—audience!
I've had the privilege of working with many of you in the past; today, we open a new chapter together. And I hope you're as excited and optimistic as I am.
Now, it's been noted that I am the first mother of school-age children to become Secretary. Less well known is that one of them will be going to college next year.
That's right. I have just gone through the college application and selection process with my daughter. I now know quite a few things that I didn't know a year ago. That may make me either your dream candidate for Secretary or your worst nightmare, take your pick.
My experiences are not unique. Every year, millions of parents and students face the same choices and challenges. My own window into the process has taught me a few things you won't find in any manual. And that's the problem.
Where is the "manual" on American higher education in the 21st century? There is none. It is up to us to write it—to provide a strategic vision for higher education.
It starts by answering the question you've asked: "What is the future of the social compact?" It's a fair question. I believe it is a bright future—if we have the vision to see it—and the will to achieve it.
Now, Webster's defines "vision" two ways: first, "unusual discernment, foresight" or "imagination." And second, "the act or power of seeing."
We must be adept at both. We must have the vision to see where higher education can take us in a future where both freedom and competition are on the move. This is a world defined less by where you live and more by what you know.
We must take advantage. We must find a way to give all Americans the skills they'll need to lead in this new world. This will take all of the foresight and imagination we can muster.
At the same time, we must see clearly—20/20 with no rose-colored glasses—the conditions that lead to a well-educated citizenry right now. And we must hold ourselves accountable for providing them.
If we do those two things, we will fulfill the social compact raised up over generations and passed down to ours. And we will help the next generation of Americans realize the long-held promise of higher education—a stake in the American experiment and a shot at the American Dream.
It is a major step toward what the President calls the "Ownership Society," and the "security, dignity, and independence" it would bring.
So let's talk specifics. In this compact, what do we owe parents, students and the community? What should you expect from us? And what should we expect of you? Let me share with you a vision from where I stand.

Of course, we owe it to parents and students to make college as affordable as possible.
President Bush has said, "Higher education is the best investment one can make to succeed in life." But the newspaper headlines read, "Is college getting out of reach?"
The President believes a person's financial state should not be a barrier to access. So while tuition continues to increase well above inflation—averaging yearly more than $5,000 for public and $20,000 for private universities, according to a College Board study last fall—so does student aid.
Grants are up 6 percent and federal loans are up 13 percent over last year. Funding for Pell Grants has increased by nearly 50 percent over five years.
We're continuing our commitment. President Bush's proposed 2006 budget would provide an additional $19 billion over 10 years for Pell Grants, to fund more than five million recipients next year alone.
It uses savings and efficiencies from student aid programs to increase the maximum award by $100 for each of the next five years, to a total of $4,550 annually. This is a significant change.
The budget would also retire the $4.3 billion funding shortfall, which was an impediment in the past to raising the award. And grants would be made available year-round, so students can learn on their timetable, not someone else's.
This is truly a reform budget when it comes to student loans. It would direct a greater proportion of benefits toward students enrolled in school, and a smaller one toward borrowers no longer in school.
It would increase loan limits for qualified students, which have remained essentially flat since the mid-1970s even as costs have tripled. And a variable interest rate would be adopted for all student loans, with flexible extended repayment plans for borrowers. This will help students benefit from historically low interest rates.
All in all, once Congress passes the President's 2006 budget, aid for post-secondary students and schools will have risen 38 percent on our watch, from $48 billion to $78 billion.
Just as important as financial aid is information. Information is the most powerful and useful tool at our disposal. President Teddy Roosevelt knew this when he called on the federal government to provide citizens with "the fullest, most accurate, and … most helpful information" about the nation's "best education systems."
A century later, how are we doing? As students search for the right college and parents navigate through the application process, are

they getting information that's clear, accurate, timely and relevant?
Well, we do not suffer from a lack of data. In fact, at the Department of Education we collect about 4,000 pieces of data about each education institution. They're logged in a database with the bureaucratic-sounding name of Integrated Postsecondary Education Data System, or IPEDS.
IPEDS does some things well and some things not as well. For instance, we can tell you almost anything you want to know about first-time, full-time degree-seeking students who have never transferred. The trouble is, today that's less than half of the total student population.
We can also tell you what the tuition rates are at each institution. But we cannot pinpoint as easily the actual costs after student aid is considered. This is a problem because, as many of you here know, families often overestimate costs.
A 1999 survey found nearly half of all 11th- and 12th-graders with college plans had not obtained accurate cost information, nor had their parents. There's no telling how many are discouraged from applying for aid—or admission.
The application process itself can be a costly proposition. Last week USA Today showed how a high school student might spend upwards of $800 on exams and fees.
Some good news is the Free Application for Federal Student Aid, or FAFSA, on our Department's web site. It's eight pages and more than 100 questions long, not counting the six-page FAFSA "pre-application worksheet." There's a shortened form for low-income families called EZ-FAFSA. Unfortunately, fewer than 20 states accept it. I hope you'll work with us to bring the others on board.

While these systems are an improvement over the past, we are definitely working to make them more user-friendly.
One of our biggest challenges is a lack of compatible and comprehensive measurements—the kind of information parents have come to expect from K–12 schools. Parents see a mosaic of fine higher education institutions, each with wonderful qualities, but find it difficult to piece the puzzle together.
How do credit hours compare? Is the coursework aligned with the state's K–12 system? Are there work-study programs? How long does it take on average to graduate, and does that differ by major course of study?
What if the student is African-American or Hispanic; what are their prospects? Is a student better off attending a less expensive state school over a five- or six-year period, or a more expensive private school that they may finish in four?
Publications like U.S. News & World Report's annual rankings are useful, but they do not tell the whole story. We need to encourage states and institutions to adopt common languages and metrics.

That way, both traditional and non-traditional education consumers can make smart choices, based on information, not anecdote.
I believe this is in your schools' best interest. Developing a compatible, connected, data-based system would offer a way to publicize your school's most attractive qualities.
For instance, how many families know which universities have adopted a flat tuition program? These encourage students to take a full course workload each semester, putting them on a faster track to graduation. Sophisticated consumers will notice—and parents and students are becoming more sophisticated every day.

Another reason I emphasize information is because it has worked so well for us in improving K–12 education.
Even though we federally fund less than one-tenth of it—compared to about one-third for higher education—we've leveraged our investment through the *No Child Left Behind Act*, tying it to the great goals of ensuring that children read and do math at grade level. Taxpayers deserve nothing less.
No Child Left Behind is working. It calls for annual testing by the states of every child in grades 3–8 in reading and math. And it calls for the data to be disaggregated so we can see how traditionally under-served student groups are doing, and help children before it's too late.
In just three years, we've managed to put a real dent in the "achievement gap." Superintendents tell us that disaggregation prevents kids from slipping through the cracks. It allows schools to develop early strategies for success. This is "vision" in the best sense—clear-eyed and far-sighted.
The vast majority of states credit *No Child Left Behind* with improving academic performance. And I believe states and postsecondary institutions should view it as a model as you work to close your own achievement gap, so vividly illustrated by the report you released today.

Which brings me to the next part of the compact. What do we owe colleges and universities?
I believe the single best thing we can do is to send you students ready and able to learn from day one. Preparing students for success in college does not begin with freshman orientation week. It begins much earlier. And we are a long way from where we need to be.
A study by the Manhattan Institute found that only 32 percent of students who exit high school are prepared for college. I use the word "exit" because not all high school diplomas are created equal.
Though there are many, many fine public high schools, your skyrocketing remedial education costs attest to the fact that many need help.
The equation is as simple as it is brutal: While about 80 percent of the fastest-growing jobs will require at least two years of college, only 26 out of 100 of today's entering ninth-graders will actually be in college their sophomore year.
For Hispanic and African-American students, the rate is about half that. That's simply unacceptable. This is not a future—or an America—we would be satisfied with.
As your President David Ward has said, higher education must "pay more attention to K–12 schools and not just wait for schools to provide them with appropriate students." President Bush agrees. And he has taken up the charge.
His budget expands the promise and principles of the *No Child Left Behind Act* to our high schools. Under the President's High School Initiative, student performance in reading / language arts and math would be measured annually in at least two more high school grades, so teachers can identify those at risk of falling behind or dropping out.
His budget also contains $1.24 billion for High School Intervention. This is for highly targeted instruction—individual performance

plans, dropout prevention efforts, demanding vocational and technical courses, college awareness and more.
The goal is to ensure that a high school diploma is a ticket to success, whether a graduate chooses higher education or the workforce.

One of the surest ways to prepare for college is to take Advanced Placement and college-track courses.
Research shows that rigorous coursework is a great predictor of success in higher education and the workplace—on par or better than GPA or SAT and ACT scores. Currently, however, 40 percent of high schools offer no Advanced Placement courses; fewer than half the states require at least three years of math or science to graduate.
I believe we've done a better job of selling students on the dream of a college degree than on ensuring they have the skills to attain it. This is especially true—and hurtful—when it comes to aspiring first-generation college graduates.
We must encourage a realistic vision of success. The President's budget provides $52 million—a $22 million increase—to expand AP and International Baccalaureate programs in schools with large numbers of disadvantaged students. The funds would help defray costs such as exam fees and would also train teachers to instruct those courses.
And the budget creates a new Presidential Math-Science Scholars Program, a public-private partnership to award up to $5,000 each to low-income students engaged in those vital studies.
The budget also offers $12 million to increase the number of states participating in the State Scholars program, which seeks a rigorous, college-ready curriculum in every high school.
Complementing that is $33 million for Enhanced Pell Grants for State Scholars, which accompany those students as they enter college. This would add up to a thousand additional dollars for the first two years of study.
It's the first time we've aligned a student aid program with its desired results. This fits the President's budget philosophy to a "T". I assure you that programs showing real results will be supported by states and schools and will survive and thrive.
Finally, let me talk for a moment about community colleges. For many Americans they're the bridge between a diploma and a degree; for others they're a means to refresh their skills for a changing economy.
The President's budget establishes a new Community College Access Grants Fund to support dual-enrollment credit transfers for high school students taking college-level courses.
Dual enrollment plays an important role in encouraging students, particularly those with disadvantages, to go on to college. We'll encourage states and colleges to develop more transparent and flexible credit transfer systems.
And the President's budget contains $250 million for Community-Based Job Training Grants to help community colleges train 100,000 new workers for the skilled, high-growth jobs in demand by local employers—the "community" in community college.
All of this depends on qualified teachers. *No Child Left Behind* requires a highly qualified teacher in every classroom. And there are steps we can take now.
We will set up a $500 million Teacher Incentive Fund to reward teachers who make outstanding progress in high-need areas. And we will increase loan forgiveness for highly qualified math and science teachers serving low-income communities. The ceiling, which has risen from $5,000 to $17,500, will be made permanent.

And while we're on the subject, I hope you'll make the quality of teacher preparation programs one of your highest priorities.

Remember, you produce the teachers who produce the students who make up your freshman classes. So you have a key role to play.

Now, I understand full well we don't educate a single person at the Department of Education. We aren't "having school."
What we can do is provide information and share best practices and align resources with results. And we can listen. That's exactly what we're doing.
We're at a crossroads. We still have the finest system of higher education in the world. But the world is catching up. China graduates six times as many engineering majors as the United States; South Korea and Japan, four times as many.
In 2001, India graduated nearly one million more students from college than the United States, including 100,000 more in the sciences.
Meanwhile, our young students lose ground as they age. Our fourth- and eighth-graders score above the international average in math and science, but our 15-year-olds lag below it.
As Steve Ballmer of Microsoft said, American companies are expanding so rapidly in India and China because "that's where the talent is." And because those nations are systematic and scientific in maximizing it.
In the 21st century, change is the only constant—changing technology, changing competition, a changing workforce. It happens whether we're ready for it or not.
The President has said, "This changed world can be a time of great opportunity for all Americans"—but only if they gain the skills to adapt.
So Americans deserve more than improved communication from us. They deserve improved performance. They deserve better information to make better decisions, students prepared to learn from day one, and the skills to succeed in a fast-changing century.

Our challenges are not new. But neither is our compact. It dates back to the country's founding.
The Northwest Ordinance stated that, "Religion, morality and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged." Later, the great Horace Mann shared his vision of education as both a cherished value and a valuable wealth-producer.
During the depths of the Civil War, Vermont Republican Justin Morrill's Land-Grant Act saw education as the means to a peaceful and prosperous future. And following World War II, the GI Bill blazed a path to the American Dream and an American century that has yet to end.
It's now our time. Together, we can show Americans a future where knowledge powers our economy and empowers our citizenry.
Together. If we can see it, we can achieve it. Together. Thank you.